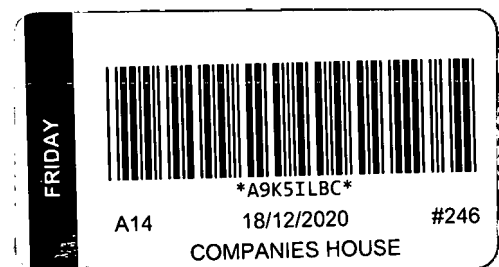


SOUTH LINCOLNSHIRE CREMATORIUM LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020

REGISTERED NO. 08091277 ENGLAND

REGISTERED OFFICE STANLEY BETT HOUSE, 15 / 23 TENTERCROFT ST, LINCOLN LN5 7DB



CONTENTS

| | PAGE |
|--|-------------|
| Company Information | 1 |
| Directors' Report | 2 |
| Statement of Directors' Responsibilities | 3 |
| Independent Auditor's Report | 4 - 6 |
| Profit and Loss Account | 7 |
| Balance Sheet | 8 |
| Statement of Changes in Equity | 9 |
| Notes to the Financial Statements | 10-15 |

SOUTH LINCOLNSHIRE CREMATORIUM LIMITED

COMPANY INFORMATION

DIRECTORS:

S. Parker BSc (Eng)
B. Hutchinson
S. R. Hughes Bpharm
J. Romney
M. Tranter
J. Moate
C. Nel LLB (Hons)
N Berry
R Wills
I. Haldenby Appointed 02.04.20
D. Cowell Appointed 06.04.20
D. Maltby Resigned 08.06.20

SECRETARY: J Powell LLP Hons, MBA

AUDITOR: KPMG LLP
Chartered Accountants
St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

REGISTERED OFFICE: Stanley Bett House
15/23 Tentercroft Street
Lincoln
LN5 7DB

REGISTERED NUMBER: 08091277

SOUTH LINCOLNSHIRE CREMATORIUM LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 August 2020, for South Lincolnshire Crematorium Limited (the "Company").

Principal Activity

The principal activity of the Company is providing crematorium services.

Review of the Business

The directors are satisfied with the performance during the year.

Results and Dividends

The Company has met the requirements of the Companies Act 2006 in both the current and preceding year to obtain exemption provided from the presentation of a Strategic Report.

The directors do not recommend the payment of a dividend (2019: nil).

Directors

The present directors of the Company are set out on page 1. The directors are appointed as representatives of the Board of Lincolnshire Co-operative Limited.

Disclosure of Information to Auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

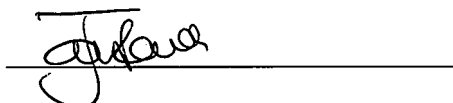
The report of the directors was approved by the Board on **17 November 2020** and signed on its behalf by:

Director



S PARKER

Secretary



J POWELL

SOUTH LINCOLNSHIRE CREMATORIUM LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH LINCOLNSHIRE CREMATORIUM LIMITED

Opinion

We have audited the financial statements of South Lincolnshire Crematorium Limited ("the Company") for the year ended 31 August 2020 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements.

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SOUTH LINCOLNSHIRE CREMATORIUM LIMITED (cont'd)

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SOUTH LINCOLNSHIRE CREMATORIUM LIMITED (cont'd)**

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Gareth Woods

Gareth Woods (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
31 Park Row
Nottingham
NG1 6FQ

Dated: 24 November 2020

SOUTH LINCOLNSHIRE CREMATORIUM LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 AUGUST 2020

| | NOTES | 2020 £'000 | 2019 £'000 |
|--------------------------------------|-------|---------------|---------------|
| TURNOVER | 2 | 926 | 760 |
| Cost of sales | | (38) | (28) |
| | | <hr/> | <hr/> |
| GROSS PROFIT | | 888 | 732 |
| Administrative expenses | 3 | (550) | (532) |
| Deficit on revaluation of property | | - | (8) |
| | | <hr/> | <hr/> |
| PROFIT BEFORE TAXATION | | 338 | 192 |
| Taxation | 5 | (92) | - |
| | | <hr/> | <hr/> |
| PROFIT FOR THE FINANCIAL YEAR | | 246 | 192 |
| | | <hr/> | <hr/> |

The profit for the year represents the total comprehensive income for the year and no separate statement is required.

The notes on pages 10 to 15 form part of these accounts.

SOUTH LINCOLNSHIRE CREMATORIUM LIMITED
BALANCE SHEET
AS AT 31 AUGUST 2020

| | NOTES | 2020 £'000 | 2019 £'000 |
|-------------------------------------|-------|---------------|---------------|
| FIXED ASSETS | | | |
| Tangible assets | 6 | 38 | 49 |
| CURRENT ASSETS | | | |
| Debtors | 7 | <u>844</u> | <u>512</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 8 | <u>(139)</u> | <u>(64)</u> |
| NET CURRENT ASSETS | | <u>705</u> | <u>448</u> |
| NET ASSETS | | <u>743</u> | <u>497</u> |
| CAPITAL AND RESERVES | | | |
| Share capital | 9 | - | - |
| Profit and loss account | | <u>743</u> | <u>497</u> |
| SHAREHOLDERS' FUNDS | | <u>743</u> | <u>497</u> |

The financial statements were approved by the Board on **17 November 2020** and signed on its behalf by:

Director



S PARKER

REGISTERED NO. 08091277 ENGLAND

The notes on pages 10 to 15 form part of these accounts.

SOUTH LINCOLNSHIRE CREMATORIUM LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT 31 AUGUST 2020

| | Share Capital £'000 | Profit and Loss Account £'000 | Total Equity £'000 |
|--------------------------------------|---------------------------|-------------------------------------|--------------------------|
| Balance at 31 August 2018 | <u>-</u> | <u>305</u> | <u>305</u> |
| Profit | - | 192 | 192 |
| Balance at 31 August 2019 | <u>-</u> | <u>497</u> | <u>497</u> |
| Profit | - | 246 | 246 |
| Balance at 31 August 2020 | <u>-</u> | <u>743</u> | <u>743</u> |

SOUTH LINCOLNSHIRE CREMATORIUM LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020

1) Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

The financial statements are prepared on the historical cost basis except that property is stated at fair value.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. There have been no changes to the accounting policies during the year.

The Company's ultimate parent undertaking, Lincolnshire Co-operative Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Lincolnshire Co-operative Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Stanley Bett House, 15-23 Tentercroft Street, Lincoln LN5 7DB. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The Company prepares financial statements in line with the accounting reference date of the parent as permitted under the seven day rule of the Companies Act.

There are no judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and there are no estimates with a significant risk of material adjustment in the next year.

Going Concern

The directors have prepared a going concern assessment for the period to March 2022 which indicates that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent entity, Lincolnshire Co-operative Limited, to meet its liabilities as they fall due for that period.

Lincolnshire Co-operative Limited has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the assessment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

SOUTH LINCOLNSHIRE CREMATORIUM LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020

1) Accounting Policies (contd.)

Turnover

Turnover consists of sales to customers and related income, exclusive of value added tax.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation will be provided on tangible fixed assets on a straight line basis, to write off the cost or valuation less estimated residual value evenly over the expected useful life at the following rates:

| | |
|----------------------------------|----------|
| Leasehold buildings | 2% p.a |
| Fixtures, Fittings and Equipment | 15% p.a. |

Taxation

Current - Provision has been made for the estimated liability based on the result for the year at the current rate of Corporation Tax.

Deferred – Full provision for deferred tax has been recognised in the Balance Sheet without discounting.

Debtors

Debtors are measured at amortised cost less any impairment.

Creditors

Creditors are measured at amortised cost.

2) Turnover

The total turnover of the Company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3) The profit before taxation is stated after charging

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Depreciation | 15 | 26 |
| Personnel costs | 113 | 107 |
| Rentals payable under operating leases | 286 | 242 |
| Other occupying costs | 40 | 41 |
| Other expenses | 96 | 116 |
| | <u>550</u> | <u>532</u> |

The remuneration of the auditors for audit work £4,900 (2019: £4,600), was borne by the ultimate parent undertaking.

SOUTH LINCOLNSHIRE CREMATORIUM LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020

4) Employees and directors

| | 2020 Number | 2019 Number |
|---|----------------|----------------|
| The average number employed by the Company excluding directors is as follows: | | |
| Full time | 3 | 2 |
| Part time | 4 | 4 |
| | <u>7</u> | <u>6</u> |

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| The costs incurred in respect of these employees were: | | |
| Wages and salaries | 101 | 96 |
| Social security costs | 7 | 6 |
| Other pension costs | 5 | 5 |
| | <u>113</u> | <u>107</u> |

The directors' emoluments during the year were borne by the ultimate parent undertaking. It is not practical to apportion directors' fees between subsidiaries and the total is shown in the group consolidated accounts.

| 5) Taxation | 2020 £'000 | 2019 £'000 |
|---|---------------|---------------|
| Analysis of charge in year | | |
| Current tax on income for the year | 64 | - |
| Under provision in respect to prior years | 28 | - |
| | <u>92</u> | <u>-</u> |

Factors affecting tax charge for the year.

| | 2020 £'000 | 2019 £'000 |
|--|---------------|---------------|
| Profit before taxation | <u>338</u> | <u>192</u> |
| Profit multiplied by standard rate of corporation tax in the UK of 19% (2018: 19.0%) | 64 | 36 |
| Permanent differences between items affecting tax and accounting profit | - | 4 |
| Group losses | - | (40) |
| Under provision in respect to prior years | 28 | - |
| Tax charge for the year | <u>92</u> | <u>-</u> |

The standard rate of corporation tax in the UK is expected to remain at 19%.

SOUTH LINCOLNSHIRE CREMATORIUM LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020

| 6) Tangible Fixed Assets | Leasehold Property £'000 | Fixtures & Fittings £'000 | Total £'000 |
|---|---|--|------------------------|
| Original Cost | | | |
| At 31 August 2019 | - | 214 | 214 |
| Additions | - | 4 | 4 |
| At 31 August 2020 | - | 218 | 218 |
| Depreciation | | | |
| At 31 August 2019 | - | 165 | 165 |
| Provided during the year | - | 15 | 15 |
| At 31 August 2020 | - | 180 | 180 |
| Net Book Value at 31 August 2020 | - | 38 | 38 |
| Net Book Value at 31 August 2019 | - | 49 | 49 |

A valuation of the Company's land and buildings was carried out by an independent valuer, Banks Long & Co., Chartered Surveyors, 26 Westgate, Lincoln LN1 3BD, as at 31 August 2019 which valued all the Company's land and buildings at current fair value at £1. The valuation has been made in accordance with the RICS statements of Asset Valuation Practice and Guidance Notes.

| 7) Debtors | 2020 £'000 | 2019 £'000 |
|-------------------------------------|-----------------------|-----------------------|
| Amounts falling due within one year | | |
| Amounts owed by parent undertaking | 780 | 454 |
| Trade debtors | 5 | 1 |
| Prepayments | 59 | 57 |
| | 844 | 512 |
| 8) Creditors | 2020 £'000 | 2019 £'000 |
| Amounts falling due within one year | | |
| Corporation tax | 64 | - |
| Accruals and deferred income | 75 | 64 |
| | 139 | 64 |

SOUTH LINCOLNSHIRE CREMATORIUM LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020

| 9) Share Capital | 2020 | 2019 |
|---|-------------|-------------|
| | £ | £ |
| Authorised, allotted, called up and fully paid 100 ordinary shares of each | 100 | 100 |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

10) Pension Scheme

The Company is a member of a larger group pension scheme providing benefits on final pensionable pay. Because the Company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 102, the scheme has been accounted for, in these financial statements as if the scheme was a defined contribution scheme. This Final Salary Pension Scheme closed to new entrants in December 2012 and will close to future accrual in December 2020.

The latest full actuarial valuation was carried out at 30 September 2018 and was updated to 5 September 2020 by a qualified independent actuary.

Following closure of the Final Salary Pension Scheme to new entrants, the Group now operates a Defined Contribution Pension Scheme. The assets of this scheme are held separately from those of the Group in an independently administered fund.

The pension cost charge for the year represents contributions payable by the Company to the schemes and amounted to £5,000 (2019: £5,000)

11) Leased under operating leases

At 31 August 2020 the Company had commitments under non-cancellable operating leases on land and buildings.

| | 2020 | 2019 |
|--------------------|-------------------|---------------------|
| | £'000 | £'000 |
| Less than one year | 120 | 120 |
| Two to five years | 480 | 480 |
| Over five years | 380 | 500 |
| | <u>980</u> | <u>1,100</u> |

These leases are subject to rent reviews.

SOUTH LINCOLNSHIRE CREMATORIUM LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020

12) Related party transactions

As the ultimate parent undertaking of the Company is Lincolnshire Co-operative Limited, the Company has taken advantage of the exemption contained in FRS 102 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

The consolidated financial statements of Lincolnshire Co-operative Limited, within which this Company is included, can be obtained from the registered office of the Company as set out in note 13.

13) Ultimate parent company

At the period end, South Lincolnshire Crematorium Limited was a 100% owned subsidiary of Lincolnshire Co-operative Limited, which is registered in England and Wales.

The largest and smallest group in which the results of the Company are consolidated is that headed by Lincolnshire Co-operative Limited.

The consolidated financial statements of Lincolnshire Co-operative Limited are available to the public from Stanley Bett House, 15/23 Tentercroft Street, Lincoln, LN5 7DB.

14) Financial Instruments

The Company's financial instruments are as follows:

| | 2020 £'000 | 2019 £'000 |
|----------------------------|---------------|---------------|
| Financial Assets | | |
| Measured at amortised cost | <u>785</u> | <u>455</u> |

Financial assets measured at amortised cost comprise amounts owed by parent undertaking and trade debtors.